

BEG IN Jan. 30, 1960

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(520) AMS BUDGET

NIGHT LEAD AEC REPORT

BY JOE F. KANE

WASHINGTON, JAN. 30 (AP)—THE UNITED STATES HAS A STOCKPILE OF SOPHISTICATED NEW WEAPONS READY TO TRY OUT IF ITS PRESENT MORATORIUM ON NUCLEAR TESTS SHOULD BE CALLED OFF, THE ATOMIC ENERGY COMMISSION HINTED TODAY.

THE AEC ALSO INDICATED IN ITS ANNUAL REPORT TO CONGRESS THAT IT COULD START TOUCHING OFF THE BLASTS ON SHORT ORDER IF PRESIDENT EISENHOWER DECIDES TO RESUME TESTING.

THE COMMISSION REPORTED SPECIAL EMPHASIS IS BEING GIVEN TO THE DEVELOPMENT OF SMALLER, IMMEDIATELY READY AND MORE RUGGED DEVICES FOR USE IN ADVANCED WEAPONS SYSTEMS.

NO INDICATION WAS GIVEN OF THE SPECIFIC NATURE OF THE READY-FOR-TESTING WEAPONS, BUT THE DEVICES PRESUMABLY INCLUDE NEW CONCEPTS FOR USE BY FOOT SOLDIERS AND IN MISSILE-FIRING AIRPLANES AND SUBMARINES.

THE REPORT SAID THE AEC PROVING GROUND ON THE NEVADA DESERT HAS BEEN KEPT IN STANDBY READINESS SINCE THE UNITED STATES DECIDED TO SUSPEND TESTING BETWEEN NOV. 1, 1958, AND AT LEAST THE END OF LAST YEAR. THE MORATORIUM WAS IMPOSED DURING THE START OF NEGOTIATIONS WITH RUSSIA--STILL GOING ON--FOR AN AGREEMENT TO END ALL SUCH TESTS.

EISENHOWER ANNOUNCED LAST DEC. 29 THAT THE UNITED STATES CONSIDERED ITSELF FREE TO RESUME NUCLEAR TESTING BUT WOULD GIVE THE WORLD ADVANCE NOTICE BEFORE ANY RESUMPTION.

PROGRESS WAS REPORTED BY THE AEC IN ALL PHASES OF THE ATOMIC PROGRAM WITH CONTINUED RESEARCH AIMED AT SUCH THINGS AS DEVELOPING WEAPONS OF GREATLY REDUCED RADIOACTIVE FALLOUT FOR STRATEGIC, TACTICAL AND DEFENSIVE USE.

URANIUM PRODUCTION IN THE UNITED STATES INCREASED 30 PER CENT LAST YEAR OVER 1958, THE COMMISSION SAID, KEEPING THE NATION IN FIRST PLACE AMONG FREE WORLD URANIUM PRODUCING COUNTRIES. URANIUM IS THE KEY MATERIAL OF ATOMIC ENERGY.

HOW ARE CHANCES FOR SPEEDING THE DEVELOPMENT OF ECONOMIC ELECTRIC POWER FROM THE ATOM? BETTER THAN EVER, THE REPORT SAID.

EIGHTEEN NEW CIVILIAN POWER REACTORS ARE UNDER CONSTRUCTION OR DEVELOPMENT. THEY REPRESENT TOTAL COMMITMENTS OF 717 MILLION DOLLARS BY GOVERNMENT AND PRIVATE INDUSTRY.

ON THE MILITARY SIDE, THE REPORT SAID THE NAVY NOW HAS 37 NUCLEAR SUBMARINES AND THREE NUCLEAR SURFACE SHIPS OPERATING, UNDER CONSTRUCTION OR AUTHORIZED BY CONGRESS. PROGRESS WAS REPORTED ON PERFECTING A NUCLEAR POWERED AIRCRAFT. INITIAL TESTING OF A PROPOSED ENGINE FOR A NUCLEAR-POWERED ROCKET WAS SUCCESSFUL. SEVERAL NUCLEAR DEVICES HAVE BEEN DEVELOPED FOR GIVING AUXILIARY ELECTRIC POWER TO EARTH SATELLITES.

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IMPORTANT PROGRESS ALSO WAS REPORTED IN THE MEDICINE AND BIOLOGY AREAS. THIS INCLUDED SUCH THINGS AS MORE KNOWLEDGE ABOUT PROTECTION AGAINST RADIATION DAMAGE. RESEARCH INTO THE NATURE AND HAZARDS OF OUT HAS BEEN STEPPED UP STEADILY IN THE PAST TWO YEARS.

THE COMMISSION TOLD CONGRESS THE NATION MAY NEED UP TO 10 NEW "ATOMIC CEMETERIES" BEFORE TOO LONG TO BURY SOME OF THE RADIOACTIVE WASTES OF THE ATOMIC POWER INDUSTRY.

THE REPORT SAID A NATIONWIDE HUNT WAS ON FOR PERSONS WHO MAY HAVE HAD UNUSUAL EXPOSURES TO RADIATION IN THE COURSE OF THEIR DAILY JOBS OR DURING MEDICAL DIAGNOSIS. IT SAID STUDIES OF SUCH PERSONS MAY HELP TO ESTABLISH MAXIMUM PERMISSIBLE LIMITS OF RADIOACTIVITY "IN THE HUMAN SKELETON."

AEC RESEARCHERS ALSO PROVIDED CONGRESS WITH THIS BIG-BANG INFORMATION:

SINCE 1945, THEY SAID, THE UNITED STATES, RUSSIA, AND GREAT BRITAIN HAVE TOUCHED OFF NUCLEAR EXPLOSIONS GIVING A TOTAL EXPLOSIVE YIELD EQUIVALENT TO BLASTING OFF 173,760,000 TONS OF TNT.

THE COMMISSION ALSO MADE IT CLEAR THAT IT WAS ON THE ALERT TO TRY TO DETECT ANY UNANNOUNCED OUTER SPACE OR UNDERGROUND NUCLEAR TESTS BY THE RUSSIANS.

FURTHER IN THE WEAPONS CATEGORY, THE AEC INDICATED IT IS GEARED TO STEP UP ITS PRODUCTION OF HYDROGEN BOMBS. IT SAID A NEW FACILITY AT ITS LIVERMORE, CAL. INSTALLATION FOR H-BOMB RESEARCH WAS COMPLETED DURING THE YEAR.

AMONG OTHER HIGHLIGHTS OF THE 628-PAGE REPORT--BIGGEST IN THE COMMISSION'S HISTORY:

--UNITED STATES PRODUCTION OF URANIUM--THE KEY MATERIAL OF ATOMIC ENERGY FOR PEACE OR WAR--INCREASED 30 PER CENT IN 1959 OVER 1958, KEEPING THE NATION "IN FIRST PLACE AMONG FREE WORLD URANIUM PRODUCING COUNTRIES."

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--CHANCES LOOK BETTER THAN THEY DID A YEAR AGO OF SPEEDING THE ADVENT OF ECONOMIC ELECTRIC POWER FROM THE ATOM.

--EIGHTEEN NEW CIVILIAN POWER REACTORS ARE UNDER CONSTRUCTION OR DEVELOPMENT, INVOLVING TOTAL COMMITMENTS OF 717 MILLION DOLLARS BY GOVERNMENT AND PRIVATE INDUSTRY.

--PROGRESS WAS ACHIEVED IN TWO SEPARATE APPROACHES TO PERFECTING NUCLEAR POWERED AIRCRAFT: INITIAL TESTING OF A PROPOSED ENGINE FOR A

NUCLEAR-POWERED ROCKET WAS SUCCESSFUL; SEVERAL NUCLEAR DEVICES HAVE BEEN DEVELOPED FOR GIVING AUXILIARY ELECTRIC POWER TO EARTH SATELLITES.

--THE NAVY NOW HAS 37 NUCLEAR SUBMARINES AND THREE NUCLEAR SURFACE SHIPS OPERATING, UNDER CONSTRUCTION, OR AUTHORIZED BY CONGRESS.

--AN EXPERIMENTAL POWER PLANT AT FORT BELVOIR, VA.--GRAND-DADDY OF VARIOUS TYPES OF REACTORS DESIGNED TO FURNISH ELECTRICITY FOR THE ARMY AT REMOTE SITES--TOOK A BREATH DURING THE YEAR AFTER OPERATING CONTINUOUSLY FOR 2 1/2 YEARS.

--AN AEC CONTRACTOR WILL BEGIN BUILDING IN MAY A NEW TYPE MILITARY POWER REACTOR THAT WILL BE "READILY TRANSPORTABLE BY LAND, SEA AND AIR VEHICLES, AND BE ABLE TO OPERATE UNDER EXTREME ENVIRONMENTAL CONDITIONS."

--ON THE MEDICINE AND BIOLOGY FRONT, AEC-SUPPORTED SCIENTISTS CONTINUED TO MAKE IMPORTANT CONTRIBUTIONS IN SEVERAL FIELDS.

--AEC SCIENTISTS ARE PUTTING NEW EMPHASIS ON EXPLORING POSSIBLE BIOLOGICAL HAZARDS OF SPACE FLIGHT--AND ARE ADAPTING HUGE ATOM-SMASHING MACHINES AND RELATED GEAR TO THE STUDY OF RADIATION PROBLEMS BEYOND THE ATMOSPHERE.

--CONCERNING FALLOUT FROM NUCLEAR TESTS, THE AEC SAYS IT MAKES NEW INFORMATION AVAILABLE TO THE PUBLIC AS FAST AS POSSIBLE, BUT "INFORMATION ON SOME ASPECTS OF FALLOUT NECESSARILY IS SECRET SINCE THEY BEAR DIRECTLY ON SECURITY AND NATIONAL SAFETY."

--THE COMMISSION HAS STEPPED UP STEADILY DURING THE PAST TWO YEARS ITS RESEARCH INTO THE NATURE AND HAZARDS OF FALLOUT.

--THE PROBLEMS OF THE RADIOACTIVE WASTES OF THE ATOMIC ENERGY PROGRAM--A SUBJECT TO WHICH THE COMMISSION DEVOTED A SIZEABLE SECTION OF THE CURRENT REPORT--HAVE "PROVED COMPLETELY MANAGEABLE." #159kes

OAK RIDGE, TENN., JAN. 30 (AP)--THE ATOMIC ENERGY COMMISSION IS SPENDING NEARLY \$350,000 TO CLEAN UP RADIOACTIVITY SPREAD BY A \$10,000 ATOMIC PLANT EXPLOSION HERE LAST NOV. 20. #170

AN AEC SPOKESMAN SAID TODAY THAT THREE CHEMICAL PROCESSING PLANTS, INCLUDING TWO THAT WEREN'T AFFECTED BY THE BLAST, HAVE BEEN SHUT DOWN WHILE SAFETY EXPERTS TAKE STEPS TO AVOID ANY REPEAT. THE BLAST WAS THE THIRD NON-DANGEROUS RADIATION ACCIDENT HERE IN THREE WEEKS.

NO ONE WAS INJURED IN THE BLAST, THE AEC SAID.

THE EXPLOSION OCCURRED DURING THE CLEANING OF A 12-BY-20 FOOT CELL IN THE SO-CALLED THOREX (CAP T) PILOT PLANT. THIS IS A CHEMICAL PROCESSING BUILDING WHERE WASTE RADIOACTIVE MATERIALS ARE TURNED BACK INTO PLUTONIUM AND OTHER RADIOACTIVE ELEMENTS WHICH ARE MAN-MADE RESULTS OF ATOMIC FISSION.

THE EXPLOSION AND AN ENSUING LEAK SPREAD PLUTONIUM CONTAMINATION OVER ABOUT FOUR ACRES IN THE OAK RIDGE NATIONAL LABORATORY AREA. THE LABORATORY IS ONE OF THREE MAIN GROUPS OF ATOMIC PLANTS IN OAK RIDGE.

THE BLAST WAS CAUSED, APPARENTLY, WHEN AN ORGANIC CLEANING SOLVENT BEING USED TO PREPARE THE CELL FOR ANOTHER PROCESSING RUN EXPLODED AND SCATTERED ABOUT 1/50TH OF AN OUNCE OF PLUTONIUM OVER THE AREA. IT ALSO RUINED EQUIPMENT IN THE CELL WHICH THE AEC SAID WAS VALUED AT \$10,000.

THE CELL REMAINS INACCESSIBLE TO CLEANUP CREWS BECAUSE OF HIGH LEVELS OF DANGEROUS, X-RAY TYPE GAMMA RADIATION.

DECONTAMINATION INCLUDED PAINTING AND CLEANING BUILDINGS. REPLACEMENT OF 100 YARDS OF ASPHALT ROADWAY, SPRAYING OF A BUILDING ROOF WITH ASPHALT AND TAR, RESODDING OF ONE-EIGHTH ACRE OF GROUND, AND DISPOSAL OF TWO 1952 MODEL TRUCKS WHICH WERE PARKED NEARBY.

ABOUT 250 EMPLOYEES WERE IN THE AREA, BUT THE AEC SAID ONLY NINE RECEIVED ENOUGH RADIATION TO REQUIRE STUDY FOR MORE THAN TWO WEEKS. THESE NINE, THE AEC CALCULATES, RECEIVED A DOSE OF PLUTONIUM RADIATION EQUAL TO ABOUT ONE PER CENT OF THE MAXIMUM PERMISSIBLE DOSE.

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SECOND NIGHT LEAD RUSSIANS (A77)

NEW YORK, JAN. 30 (AP)--A TOP SOVIET OFFICIAL BOASTED TONIGHT OF IMMENSE INDUSTRIAL AND AGRICULTURAL PROGRESS IN RUSSIA AND SAID HE WAS CONFIDENT HIS NATION WOULD WIN OVER THE UNITED STATES "IN THIS NOBLE COMPETITION TO PROVIDE AN ABUNDANCE OF MATERIAL AND CULTURAL VALUES FOR THE PEOPLE."

DIMITRI S. POLYANSKY, CHAIRMAN OF THE COUNCIL OF MINISTERS AND HEAD OF A GROUP OF 12 TOP SOVIET OFFICIALS NOW TOURING THE UNITED STATES, TOLD A PRIVATE DINNER GATHERING AT THE CARLYLE HOTEL:

"WE THINK THAT OUR SOCIALIST HORSE IS YOUNGER AND FASTER THAN THE CAPITALIST HORSE. IF YOU DISAGREE WITH IT, IT'S UP TO YOU, BUT LET US NOT COME TO GRIPS IN ORDER TO SETTLE THE ARGUMENT WHICH HORSE IF BETTER."

"EVEN AT HORSE RACES--AND I HAVE BEEN TOLD THAT IT IS A FAIRLY POPULAR SPORT IN AMERICA--NOBODY PROPOSES TO DETERMINE THE WINNER BY A FIGHT BETWEEN JOCKEYS."

"AND IN OUR TIME IT MAY COME NOT TO A HAND-TO-HAND FIGHT, BUT TO A DEVASTATING ATOMIC ATOMIC WAR."

HOST AT THE DINNER WAS ROBERT DOWLING, PROMINENT NEW YORK REAL ESTATE OPERATOR AND CONSTRUCTION EXPERT.

POLYANSKY CALLED ATTENTION TO RUSSIAN PRESS REPORTS ON DEVELOPMENT OF THE SOVIET ECONOMY IN 1959. HE SAID IT WAS THE FIRST YEAR OF THE IMPLEMENTATION OF A SEVEN-YEAR PLAN AND ADDED:

"THE PLAN FOR THAT YEAR WAS NOT ONLY FULFILLED BUT OVER-FULFILLED. I THINGS GO ON LIKE THIS, AND WE ARE SURE THEY WILL, THEN WITHIN SEVEN YEARS OUR INDUSTRIAL AND AGRICULTURAL OUTPUT WILL BE DOUBLED, THE LIVING STANDARDS OF THE ENTIRE SOVIET PEOPLE WILL BE CONSIDERABLY IMPROVED."

THE RUSSIAN OFFICIAL TOLD HIS AUDIENCE THAT "YOU CAN JUDGE ABOUT THE GIGANTIC SCOPE OF THIS PROGRAM OF PEACEFUL CONSTRUCTION BY AT LEAST ONE FIGURE--THE INVESTMENTS INTO OUR NATIONAL ECONOMY FOR SEVEN YEARS WILL AMOUNT TO 750 BILLION DOLLARS."

"THOSE WHO MARCH AT SUCH A SPEED ARE USUALLY DESCRIBED AS MAKING HUGE STRIDES. SO OUR FIRST STEP ON THE ROAD OF THE IMPLEMENTATION OF THE SEVEN-YEAR PLAN WAS A HUGE STRIDE, INDEED."

HE GAVE THESE EXAMPLES:

"THE OUTPUT OF INDUSTRIAL PRODUCTION INCREASED BY MORE THAN 11 PER CENT IN 1959...."

"THE OUTPUT OF STEEL ROSE BY 5 MILLION TONS AS COMPARED TO 1958; OIL OUTPUT BY 16.3 MILLION TONS, AND THE GENERATION OF ELECTRIC POWER, BY 28.6 BILLION KILOWATT HOURS."

POLYANSKY SAID THAT "FAR FROM SLOWING DOWN THE RATE OF ITS DEVELOPMENT, OUR ECONOMY IS GATHERING SPEED. AS COMPARED WITH YOU, WE HAVE A CONSIDERABLE ADVANTAGE IN THE RATE OF DEVELOPMENT, AND IT IS OF DECISIVE IMPORTANCE."

THE RUSSIAN OFFICIAL ALSO TOLD OF GAINS IN MANY OTHER AREAS--HEAVY AND LIGHT INDUSTRY, TEXTILES; MEAT, MILK, DAIRY PRODUCTS AND SUGAR; GRAIN AND COTTON CROPS, AND PRODUCTION OF WOOL. THEN HE ADDED:

"OUR NATIONAL INCOME IN 1959 ROSE BY 100 BILLION RUBLES...OUR STATE SPENT 230 BILLION RUBLES LAST YEAR FOR FREE TUITION AND FREE MEDICAL AID TO THE POPULATION, FOR SOCIAL INSURANCE, PENSIONS, SCHOLARSHIPS, ETC. HOUSING CONSTRUCTION CONTINUED TO GROW AT A RAPID RATE..."

POLYANSKY ALSO TOLD OF "GREAT ACHIEVEMENTS IN THE SPHERE OF TECHNICAL PROGRESS" AT THE BEGINNING OF THIS YEAR AND SAID "IT IS GRAPHICALLY EVIDENCED BY THE SUCCESSFUL LAUNCHING OF A POWERFUL BALLISTIC MULTI-STAGE ROCKET TO THE PACIFIC AREA. A SPACE ROCKET IS THE QUINTESSENCE OF SCIENTIFIC THOUGHT AND TECHNICAL KNOW-HOW."

THE SOVIET OFFICIAL REMARKED THAT SOME AMERICAN NEWSPAPERS "REGARDED THE LAUNCHING OF OUR ROCKET AS SOMETHING LIKE A THREATENING GESTURE TO THE U.S.A." THEN HE SAID:

"WE DO NOT THREATEN ANYONE AND DO NOT INTEND TO ATTACK ANYBODY. ALL OUR ACHIEVEMENTS OF SCIENCE AND ENGINEERING SERVE SOLELY THE CAUSE OF PEACE...."

"WE WANT OUR COUNTRIES, HAVING DIFFERENT SOCIAL SYSTEMS, TO DEMONSTRATE THEIR ADVANTAGES TO THE WHOLE WORLD IN THE COURSE OF PEACEFUL COMPETITION."

AT THE OUTSET OF HIS SPEECH, POLYANSKY MENTIONED THAT HE AND OTHER MEMBERS OF THE VISITING RUSSIAN DELEGATION HAD TALKED WITH SOVIET PREMIER NIKITA S. KHRUSHCHEV.

"HE SPOKE VERY WARMLY OF HIS STAY IN THE UNITED STATES," POLYANSKY SAID, "AND ASKED US TO GIVE HIS BEST REGARDS AND CONVEY HIS BEST WISHES TO THE AMERICAN PEOPLE."

POLYANSKY ENDED HIS ADDRESS ON THE SUBJECTS OF PEACEFUL COMPETITION AND PEACEFUL CO-EXISTENCE. HE SAID:

"PEACEFUL COMPETITION IMPLIES THAT STATES HAVING OPPOSITE IDEOLOGIES SHOULD NEVERTHELESS LIVE WITHOUT WAR. BUT, INCIDENTALLY, WE DO NOT WANT TO RESEMBLE THOSE NEIGHBORS WHO, EVEN THOUGH THEY DON'T FIGHT, CAN HARDLY PUT UP WITH EACH OTHER."

"PEACEFUL CO-EXISTENCE AND PEACEFUL COMPETITION DO NOT EXCLUDE BUT, ON THE CONTRARY, IMPLY ACTIVE COOPERATION, EXCHANGE OF EXPERIENCE, EXTENSIVE ECONOMIC, CULTURAL AND SCIENTIFIC CONTACTS."

"THE SOVIET PEOPLE ARE APPEALING TO YOU FOR COMPETITION IN THE REDUCTION OF ARMIES AND ARMAMENTS, FOR COMPETITION IN THE PRODUCTION OF MATERIAL AND CULTURAL VALUES FOR THE PEOPLES. THIS IS THE MESSAGE OF GOOD WILL THAT WE HAVE BROUGHT TO YOUR COUNTRY."

ATTENDING TONIGHT'S DINNER, BESIDES THE RUSSIANS AND DOWLING, WERE 16 AMERICAN LEADERS.

THEY INCLUDED ADM. A. G. KIRK, FORMER U.S. AMBASSADOR TO RUSSIA; DR. LOUIS WEBSTER JONES, PRESIDENT OF THE NATIONAL CONFERENCE OF CHRISTIANS AND JEWS; AND EDUCATORS AND BUSINESS LEADERS.

EARLIER TODAY, THE VISITING RUSSIANS TOURED NEW YORK UNIVERSITY. AT ONE POINT POLYANSKY ASKED TO SEE "SOME LIVE STUDENTS." HE FINALLY CORRALLED THREE YOUTHS WHO HADN'T LEFT FOR THE WEEKEND.

THE STUDENTS SEEMED SURPRISED BY THE SIDEWALK INTERVIEW, BUT ONE, JOHN RAPER JR., OF FAYETTEVILLE, N.C., SAID HE HAD HEARD THERE ARE AS MANY STUDENTS OF LAW AND MEDICINE IN THE UNITED STATES AS IN RUSSIA.

"WE HAVE MORE STUDENTS THAN YOU DO," POLYANSKY SAID IN RUSSIAN. ROBERT BLOOM, A STUDENT FROM FOREST HILLS, QUEENS, TOLD THE RUSSIANS HE ATTENDED THE SCHOOL ON A SCHOLARSHIP.

"IF YOU HAVE TO LIVE ON GRANTS, IT IS BETTER NOT TO GO ON LIKE THIS," SAID POLYANSKY, WHO IS A MEMBER OF THE SOVIET PRESIDUM. HE CONTINUED:

"THE BEST BUILDING IN MOSCOW BELONGS TO MOSCOW UNIVERSITY."

"LIKE THIS BUILDING?" ASKED BLOOM, POINTING TO THE UNIVERSITY MODERN STUDENT CENTER.

"BETTER THAN THIS BUILDING," POLYANSKY DECLARED.

EARLIER, THE DELEGATION HAD BEEN TOLD BY NYU CHANCELLOR GEORGE STODDARD THAT THERE ARE ABOUT 3 1/2 MILLION COLLEGE STUDENTS IN THE UNITED STATES.

POLYANSKY LAUGHED AND SAID THE SOVIET UNION HAD 50 MILLION.

LATER, THE DELEGATION VISITED THE UNITED NATIONS AND IN THE GENERAL ASSEMBLY HALL, POLYANSKY ASKED TO SEE THE SEAT FOR COMMUNIST CHINA--"THE REAL CHINA AND NOT THE DELEGATE OF CHIANG KAI-SHEK."

THE SOVIET UNION HAS SOUGHT UNSUCCESSFULLY FOR 10 YEARS TO OUST NATIONALIST CHINA AND TO SEAT COMMUNIST CHINA IN THE U. N.

POLYANSKY STOOD AT THE LECTERN OF THE ALMOST EMPTY HALL AND RECALLED THE SPEECH THAT SOVIET PREMIER NIKITA S. KHRUSHCHEV MADE THERE LAST SEPT. 18 IN FAVOR OF TOTAL DISARMAMENT WITHIN FOUR YEARS.

"IT IS IMPORTANT," HE SAID, "THAT THIS PLATFORM BECOME A PERMANENT ONE AGAINST COLD WAR."

THE SOVIET VISITORS--WHICH INCLUDE FIVE PREMIERS OF REPUBLICS AND SEVEN ADMINISTRATORS OF OBLASTS (PROVINCES) WITHIN REPUBLICS--WERE GUIDED THROUGH THE U.N. BY SOVIET DELEGATE ARKADY A. SOBOLEV AND UNDERSECRETARY ANATOLY F. DOBRYNIN. MIKHAIL A. MENSNIKOV, SOVIET AMBASSADOR TO WASHINGTON, ALSO WAS PRESENT.

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THE GROUP ARRIVED LAST NIGHT TO REPAY A VISIT MADE BY NINE AMERICAN GOVERNORS TO RUSSIA.

FIVE OF THEM CALLED ON GOV. NELSON A. ROCKEFELLER AT HIS OFFICE WHILE SEVEN VISITED CITY HALL. MAYOR ROBERT F. WAGNER WAS UNABLE TO GREET THEM BECAUSE OF ANOTHER APPOINTMENT. DEPUTY MAYOR PAUL T. O'KEEFE TOLD THEM THEY WERE VISITING THE WORLD'S FINEST CITY. ONE OF THE SOVIET OFFICIALS MENTIONED TO O'KEEFE THAT MOSCOW FACES SLUM PROBLEMS SIMILAR TO NEW YORK'S.

A ROCKEFELLER AIDE SAID THE RUSSIANS CONVEYED KHRUSHCHEV'S GREETINGS TO THE GOVERNOR. HE SAID THE GROUP DISCUSSED THE SOVIET UNION'S TAX STRUCTURE AND GOVERNMENT BUDGETS. POLYANSKY SAID RUSSIANS NOW ARE PAID ON THE BASIS OF THEIR WORK BUT THE COUNTRY IS MOVING TOWARD THE CONCEPT "TO EACH ACCORDING TO HIS NEEDS."

ROCKEFELLER COMMENTED THAT "THEY HAVE A LONG WAY TO GO."

ROCKEFELLER SAYS SOVIET PREMIER NIKITA KHRUSHCHEV TOLD HIM HE ONCE CONSIDERED EMIGRATING TO THE UNITED STATES.

ROCKEFELLER, WHO HAD NOT MENTIONED KHRUSHCHEV'S REMARK BEFORE, DISCLOSED THE PREMIER'S COMMENT YESTERDAY TO 12 VISITING SOVIET OFFICIALS.

THE GOVERNOR SAID KHRUSHCHEV HAD MADE THE STATEMENT LAST SUMMER DURING HIS VISIT TO THIS COUNTRY. ROCKEFELLER SAID IT CAME UP DURING A DISCUSSION OF FOREIGNERS EMIGRATING TO THE UNITED STATES BECAUSE OF HIGH WAGES. HOWEVER, ROCKEFELLER DID NOT ELABORATE.

THE RUSSIANS LEAVE TOMORROW ON A TOUR THAT WILL TAKE THEM TO PRINCETON AND TRENTON IN NEW JERSEY; PHILADELPHIA, PA.; CHARLESTON, W.VA.; MIAMI, ORLANDO AND GAINESVILLE IN FLORIDA; CHICAGO AND SPRINGFIELD IN ILLINOIS; DENVER, COLO.; BOISE, IDAHO; SALT LAKE CITY, UTAH; BISMARCK, N.D., AND WASHINGTON, D.C.

A SPOKESMAN FOR THE INSTITUTE OF INTERNATIONAL EDUCATION, IN CHARGE OF ARRANGEMENTS FOR THE TOUR, SAID THERE WAS NO POLITICAL SIGNIFICANCE IN THE FACT THAT NORTH CAROLINA WAS NOT INCLUDED IN THE RUSSIAN ITINERARY ALTHOUGH NORTH CAROLINA GOV. LUTHER HODGES WAS IN THE GROUP OF AMERICAN GOVERNORS VISITING THE SOVIET UNION.

THE SPOKESMAN BLAMED A TIGHT SCHEDULE FOR FAILURE TO INCLUDE NORTH CAROLINA IN THE ITINERARY PLUS THE FACT THE RUSSIANS HAD EXPRESSED A DESIRE TO SPEND AS MUCH TIME AS POSSIBLE IN FLORIDA.

ORIGINALLY, THE SPOKESMAN SAID, THREE STATES WHOSE GOVERNORS HAD VISITED THE SOVIET UNION WERE DROPPED FROM THE ITINERARY. AT THE LAST MOMENT, HE SAID, IT BECAME POSSIBLE TO INCLUDE IDAHO AND NORTH DAKOTA IN THE ITINERARY.

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(220)

MOSCOW, JAN. 30 (AP)--PREMIER NIKITA S. KHRUSHCHEV SAYS THE SOVIET UNION AND THE UNITED STATES CAN BUILD SEVERAL HUGE DAMS LIKE ASWAN EACH YEAR IN NEEDY COUNTRIES IF HIS TOTAL DISARMAMENT PLAN IS ACCEPTED.

THE SOVIET UNION IS FURNISHING ALL THE MONEY TO BUILD THE MASSIVE ASWAN IRRIGATION AND POWER DAM ON THE NILE IN NORTHERN EGYPT.

KHRUSHCHEV'S COMMENT WAS MADE IN AN INTERVIEW WITH PIERRE COT, POLITICAL DIRECTOR OF THE FRENCH MAGAZINE L'HORIZON, AND DISTRIBUTED TODAY BY TASS, THE OFFICIAL NEWS AGENCY.

THE ALLOCATION OF ONLY 10 PER CENT OF THE FUNDS SAVED BY THE UNITED STATES AND THE SOVIET UNION THROUGH UNIVERSAL DISARMAMENT WOULD BE

ENOUGH TO BUILD THE DAMS, KHRUSHCHEV SAID.

KHRUSHCHEV REITERATED THAT COMPLETE DISARMAMENT WOULD GREATLY SPEED UP THE SOVIET PROGRAM OF PEACEFUL CONSTRUCTION.

"OUR ECONOMY AND RESOURCES," HE SAID, "WOULD BE FULLY DIVERTED TO PEACEFUL PURPOSES WHICH WOULD ENABLE US TO SUPPLY THE SOVIET PEOPLE EVEN MORE QUICKLY WITH AN ABUNDANCE OF FOOD, CLOTHES, HOUSING AND OTHER MATERIAL BENEFITS."

AS HE OUTLINED IN HIS TOTAL DISARMAMENT SPEECH AT THE UNITED NATIONS IN NEW YORK LAST FALL, KHRUSHCHEV SAID INTERNATIONAL CONTROL SHOULD BE IMPOSED BY STAGES, A POINT TO WHICH THE WESTERN POWERS OBJECTED.

"WE CANNOT AGREE WITH THOSE WHO INSIST ON CONTROL AND AT THE SAME TIME DO NOT ADVANCE ANYTHING IN THE SPHERE OF DISARMAMENT."

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A107

MOSCOW, JAN. 30 (AP)-PREMIER NIKITA S. KHRUSHCHEV SAID TODAY "THE CLOUDS OF THE THREAT OF WAR HANGING OVER THE WORLD BEGIN TO BE DISPELLED."

TASS REPORTED HE SENT A MESSAGE TO A YOUTH AND STUDENT RALLY FROM BALKAN AND ADRIATIC COUNTRIES AT BUCHAREST, ROMANIA. HE SAID HE WELCOMED A MEETING OF THE YOUNGER GENERATION FROM "COUNTRIES OF AN AREA LONG SINCE REGARDED AS A POWDER BARREL OF EUROPE."

KHRUSHCHEV SAID THE MEETING "CAN DO A LOT TO TURN THIS REGION INTO A NUCLEAR AND ROCKET-FREE ZONE OF PEACE."

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(430)

BUENOS AIRES, ARGENTINA, JAN. 30 (AP)-THE NEWSPAPER CLARIN IN ITS SUNDAY MORNING EDITION PUBLISHED A RESUME OF ANSWERS WHICH ITS OWNER, ROBERTO J. NOBLE, MADE TO A QUESTIONNAIRE SENT HIM BY THE RUSSIAN NEWSPAPER "SOVIET RUSSIA."

NOBLE SAID HE UNDERSTOOD THE MOSCOW NEWSPAPER WAS PUBLISHING HIS ANSWERS IN ITS SUNDAY EDITION. THE QUESTIONNAIRE CAME SHORTLY AFTER SOVIET PREMIER NIKITA S. KHRUSHCHEV ANSWERED ONE SUBMITTED BY NOBLE. THE PREMIER'S ANSWERS WERE PUBLISHED BY CLARIN. IN THEM HE SAID RUSSIA WOULD NEVER START A WAR.

THE FIRST QUESTION ASKED BY "SOVIET RUSSIA" WAS ABOUT THE EFFECT ON ARGENTINA OF KHRUSHCHEV'S ANSWERS. NOBLE SAID "THE ARGENTINE CITIZEN IS SERENE AND PROUD AND JEALOUS OF HIS COUNTRY'S SOVEREIGNTY AND TERRITORY." BUT HE ADDED THE ARGENTINE "KNOWS THAT ONLY PEACE, UPHELD WITH HONOR AND DIGNITY, MAKES POSSIBLE THE ENJOYMENT OF THE FRUITS OF WORK AND STUDY."

ASKED ABOUT THE EFFECT OF THE KHRUSHCHEV STATEMENT ON THE REST OF LATIN AMERICA, NOBLE ANSWERED:

"THE MAN OF THE AMERICAN HEMISPHERE IS READY TO HOPE. THE PROMISE OF PEACE, THE POSSIBILITY OF LIVING IN A WORLD WITHOUT A CONSTANT THREAT OF WAR, IS FOR THESE YOUNG COUNTRIES A LONG-CHERISHED ILLUSION."

TO THE QUESTION OF HOW LATIN AMERICANS CONSIDER THE DISARMAMENT PROBLEM, NOBLE REPLIED:

"THE MAN OF AMERICA IS ALWAYS READY TO BELIEVE IN THE ADVANTAGES OF DISARMAMENT...THE ECONOMICALLY UNDERDEVELOPED COUNTRIES OF AMERICA WOULD UNDOUBTEDLY BENEFIT IF THE FUNDS NOW SPENT ON ARMS WERE USED TO PROMOTE ITS SOURCES OF WEALTH, BUT THESE COUNTRIES WILL NEVER ACCEPT THIS AID IF ACCEPTING IT MEANS RENOUNCING THEIR DEMOCRATIC WAY OF LIFE."

"SOVIET RUSSIA" THEN ASKED ABOUT LATIN AMERICAN VIEWS ON TRADE WITH RUSSIA. NOBLE SAID:

"TRADE WITH RUSSIA IS NOT CONTRARY TO THE ESSENCE OF THE FREE INSTITUTIONS OF THE LATIN AMERICAN PEOPLES. TO ARRANGE THAT THE CIRCULATION OF RAW MATERIALS AND MANUFACTURED ARTICLES WILL SERVE THE CAUSE OF PEACE IS A WORTHY IDEAL WHICH WOULD NOT MEET

SERIOUS OPPOSITION. IT WOULD ALSO AID IN DESTROYING THE ANXIETIES WHICH ARISE FROM THE MAINTENANCE OF DISCRIMINATORY BARRIERS."

IN ANSWER TO ANOTHER QUESTION, NOBLE SAID "ARGENTINA AND THE OTHER LATIN AMERICAN COUNTRIES CANNOT ONLY ADMIRE THE CAPACITY FOR WORK AND MARVELLOUS INVENTIVENESS OF THE RUSSIAN PEOPLE."

"THEY BELIEVE," HE ADDED, "THAT IF ITS LEADERS REALIZE THE NEEDS, SPIRITUAL POSITION AND WAY OF LIFE OF OTHER COUNTRIES, A PERIOD OF PEACEFUL COLLABORATION AMONG ALL COUNTRIES MAY BEGIN."

"BUT IN LATIN AMERICA THEY DO NOT BELIEVE, AND CANNOT BELIEVE, THAT WAR IS AN INEVITABLE EVIL...LATIN AMERICA WANTS A PEACEFUL COLLABORATION WITH ALL THE PEOPLES OF THE WORLD AND ALSO WITH THE SOVIET UNION, AND CONSIDERS ALL PROPOSALS FOR PEACE AS A SINCERE EFFORT, WORTHY OF THE GREATEST SUPPORT."

BN1116PES

A172

FOLO BUENOS AIRES

MOSCOW, SUNDAY, JAN. 31 (AP)-THE NEWSPAPER SOVIET RUSSIA TODAY PUBLISHED AN INTERVIEW WITH ROBERTO NOBLE, PUBLISHER OF THE ARGENTINE NEWSPAPER CLARIN.

THE SOVIET NEWS AGENCY TASS SAID THE INTERVIEW IN WHICH NOBLE DESCRIBED ARGENTINE REACTION TO A RECENT CLARIN INTERVIEW WITH PREMIER NIKITA S. KHRUSHCHEV APPEARED UNDER THE HEADLINE, "LATIN AMERICA APPROVES..."

BJ1117PES

A151

(140)

MOSCOW, JAN. 30 (AP)-AMBASSADOR HENRY CABOT LODGE AND HIS WIFE ARRIVED HERE TODAY FOR THEIR FIRST VISIT TO THE SOVIET UNION.

THE U.S. REPRESENTATIVE AT THE UNITED NATIONS WAS INVITED TO VISIT RUSSIA BY PREMIER NIKITA S. KHRUSHCHEV. LODGE ACCOMPANIED THE SOVIET LEADER ON KHRUSHCHEV'S TOUR OF THE UNITED STATES LAST YEAR.

THE LODGES ARRIVED ABOARD A SOVIET TU104 JET LINER AND WERE MET BY U.S. AMBASSADOR LLEWELYN THOMPSON AT THE AIRPORT. THE SOVIET GOVERNMENT WAS REPRESENTED BY SERGEI STRIGANOV OF THE AMERICAN SECTION OF THE FOREIGN MINISTRY.

LODGE SAID NO ARRANGEMENTS HAD BEEN MADE FOR A TALK WITH KHRUSHCHEV BUT IT IS ASSUMED HERE THAT THE TWO MEN WILL MEET SOMETIME DURING HIS STAY.

THE LODGES ARE SCHEDULED TO MAKE A 10-DAY TOUR OF BAKU, THE OIL CENTER IN THE CAUCUSUS, TASHKENT AND SAMARKAND IN CENTRAL ASIA AND LENINGRAD ON THE GULF OF FINLAND.

WH1004PES

A71

NIGHT LEAD SPY TRIAL 350

KARLSRUHE, GERMANY, JAN. 30 (AP)-A WEST GERMAN NAVAL JET PILOT WAS SENTENCED TODAY TO FIVE YEARS AT HARD LABOR FOR TREASON AND ESPIONAGE FOR THE SOVIET UNION. HE WAS CONVICTED OF GIVING THE RUSSIANS INFORMATION ABOUT A WESTERN "COMPLEX X," BUT NOTHING WAS MADE PUBLIC TO DESCRIBE THE COMPLEX.

THE SUPREME COURT SAID THE ACT OF TREASON COMMITTED BY HORST LUDWIG AND HIS FORMER BOATSWAIN'S MATE, FRITZ BRIESEMEISTER, WAS SO GRAVE THAT IT CAN STILL DAMAGE THE SECURITY OF THE WESTERN ALLIES IF REVEALED PUBLICLY. BRIESEMEISTER, 33, WAS SENTENCED TO FOUR YEARS ON IDENTICAL CHARGES.

THE PUBLIC HEARD ONLY A MINUTE PART OF THE SPY ACTIVITIES CHARGED TO THE 34-YEAR-OLD SENIOR LIEUTENANT AND BRIESEMEISTER. TESTIMONY ON MAJOR OFFENSES WAS GIVEN IN SECRET SESSION. COURT PRESIDENT DR. HEINRICH JAGUSCH SAID ON PASSING SENTENCE.

THE PAIR'S MAIN ESPIONAGE MISSION INVOLVED COMPLEX X, IN WHICH THE SOVIETS WERE HIGHLY INTERESTED. THEY EVEN OFFERED TO DECORATE THE TWO MEN IF THEY REPORTED SUFFICIENT INFORMATION, JAGUSCH SAID. HE SAID LUDWIG AND BRIESEMEISTER DID ACTUALLY REVEAL SUCH INFORMATION, DEALING A CONSIDERABLE BLOW TO WEST GERMANY AND THE ALLIED FORCES. BOTH MEN KNEW THOROUGHLY THE SIGNIFICANCE OF COMPLEX X, JAGUSCH ADDED.

LUDWIG'S SISTER, HANNI JAEGER, 37, AND HER HUSBAND, WERNER, 31, WHO WERE TRIED WITH THE NAVY MEN, ALSO WERE SENTENCED TODAY FOR HAVING ENGAGED IN TREASONABLE ACTIVITIES BY ACTING AS GO-BETWEENS. JAEGER GOT THREE YEARS IN JAIL AND HIS WIFE ONE. BOTH WERE EXCLUDED FROM THE SECRET SESSIONS AND APPARENTLY KNEW NOTHING ABOUT COMPLEX X. LUDWIG, FIRST OFFICER OF THE NEW GERMAN ARMED FORCES TO BE TRIED AS A SPY, ADMITTED PUBLICLY THAT HE SENT CLASSIFIED TRAINING PAMPHLETS TO JAEGER WHILE TRAINING AT THE PENSACOLA, FLA., U.S. NAVAL AIR STATION. JAEGER GAVE THEM TO SOVIET INTELLIGENCE. BRIESEMEISTER, WHO WAS RECRUITED BY LUDWIG IN 1955, WAS SAID BY THE PROSECUTOR TO HAVE SUPPLIED THE SOVIET UNION REPORTS ON A SUBMARINE HUNTER AND ON NAVAL MANEUVERS FOR AT LEAST 7,800 MARKS (\$1,856).

LUDWIG HAD MAINTAINED HE WAS COERCED INTO SPYING WHEN THE SOVIETS THREATENED TO ARREST HIS FATHER. THE PROSECUTOR DISCOUNTED THIS AND SAID LUDWIG'S ONLY MOTIVE WAS MONEY, HAVING RECEIVED AT LEAST 6,500 MARKS (\$1,071) SINCE 1954.

A129

FV446PES

(170)

BERLIN, JAN. 30 (AP)-THE EAST GERMAN GOVERNMENT HAS SENT A NOTE TO THE WESTERN POWERS DEALING WITH THE "CONTINUED PROVOCATIONS OF THE (WEST GERMAN) FEDERAL GOVERNMENT IN WEST BERLIN," THE OFFICIAL EAST GERMAN NEWS AGENCY ADN SAID TODAY.

THE NOTE WAS SENT TO THE CZECHOSLOVAK FOREIGN MINISTRY, WHICH HANDED IT OVER TO THE DIPLOMATIC REPRESENTATIONS OF THE UNITED STATES, GREAT BRITAIN AND FRANCE IN PRAGUE YESTERDAY, ADN SAID. THE WESTERN POWERS DO NOT MAINTAIN DIPLOMATIC RELATIONS WITH EAST GERMANY.

THE TEXT OF THE NOTE WAS NOT PUBLISHED BUT IT IS BELIEVED TO CONTAIN A COMPLAINT ABOUT RECENT OFFICIAL WEST GERMAN GOVERNMENT STATEMENTS CLAIMING WEST BERLIN AS PART OF THE FEDERAL REPUBLIC. IT MIGHT ALSO INCLUDE A PROTEST AGAINST THE RECENT VISIT OF WEST GERMAN CANCELLOR KONRAD ADENAUER TO WEST BERLIN, THE PRESENT STAY OF WEST GERMAN PRESIDENT HEINRICH LUEBKE THERE AND THE MAINTENANCE OF WEST GERMAN GOVERNMENTAL AGENCIES AND BRANCHES IN WEST BERLIN.

THE COMMUNISTS, WHO CLAIM WEST BERLIN AS PART OF EAST GERMANY, FREQUENTLY HAVE DENOUNCED THE BONN ATTITUDE TOWARD THE CITY AS "PROVOCATIONS."

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A105

-95-

LONDON, JAN. 30 (AP)-BRITAIN'S STATE-SPONSORED RADIO TODAY BROADCAST A REPORT THAT HUNGARIAN COMMUNIST AUTHORITIES LAST MONTH EXECUTED 150 TEENAGERS FOR TAKING PART IN THE 1956 ANTI-COMMUNIST UPRISING.

THE TEENAGERS WERE REPORTED TO HAVE BEEN HELD IN JAIL UNTIL THEY WERE 18 AND OLD ENOUGH LEGALLY TO BE EXECUTED.

THE BROADCAST QUOTED A DISPATCH FROM DOUGLAS STEWART, VIENNA CORRESPONDENT OF THE BRITISH BROADCASTING CORP. (BBC), QUOTING WHAT HE CALLED RELIABLE REPORTS FILTERING OUT OF HUNGARY.

THE DISPATCH SAID THAT IN ADDITION TO THE TEENAGERS, 54 ADULTS HAD BEEN EXECUTED AS REBELS OVER THE PAST SIX MONTHS.

THE BRITISH FOREIGN OFFICE REFUSED TO COMMENT ON THE REPORT, BUT SOME AUTHORITATIVE SOURCES REGARDED IT AS WELL FOUNDED.

THE HUNGARIAN GOVERNMENT HAS DENIED CHARGES VOICED IN THE UNITED

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STATES THAT IT WAS HOLDING LARGE NUMBERS OF YOUTHS UNTIL THEY REACHED THE LEGAL EXECUTION AGE. THE REGIME CLAIMED IT HAD NEVER TRIED OR SENTENCED ANYONE UNDER THE AGE OF 21.

STEWART'S DISPATCH SAID THE TEENAGERS REPORTEDLY WERE EXECUTED IN BUDAPEST CENTRAL JAIL EARLY IN DECEMBER.

THE REPORT SAID SEVEN MORE YOUNG MEN WHO HAD BEEN 16 AT THE TIME OF THE UPRISING WERE ARRESTED JUST AFTER CHRISTMAS.

PL736PES

A21WX

(370) DEFENSE WASTE

BY EDWIN B. HAAKINSON

WASHINGTON, JAN. 30 (AP)-BUSINESS AND INDUSTRY SPOKESMEN TESTIFIED TODAY THAT BILLIONS OF DOLLARS ARE BEING WASTED IN THE DEFENSE DEPARTMENT BY DUPLICATION AND RIVALRY AMONG THE SEPARATE ARMED SERVICES.

PERRY M. SHOEMAKER, PRESIDENT OF THE DELAWARE, LACKAWANNA AND WESTERN RAILROAD, URGED ESTABLISHMENT OF A SEPARATE CIVILIAN-MANAGED AGENCY DIRECTLY UNDER THE SECRETARY OF DEFENSE TO CONTROL THE SPENDING OF ABOUT 24 BILLION DOLLARS ANNUALLY ON MILITARY SUPPLIES.

SHOEMAKER SAID HIS PROPOSALS HAD THE SUPPORT OF EX-PRESIDENT HERBERT HOOVER, CHAIRMAN CHARLES R. HOOK OF ARMCO STEEL CORP. AND OTHER MEMBERS OF THE FORMER GOVERNMENT REORGANIZATION TASK FORCE KNOWN AS THE HOOVER COMMISSION.

PRESIDENT ERWIN D. CANHAM OF THE U.S. CHAMBER OF COMMERCE URGED CONGRESS TO APPROPRIATE MOST OF THE 40 BILLION DOLLAR ANNUAL DEFENSE BUDGET TO THE SECRETARY OF DEFENSE, RATHER THAN SPLITTING IT AMONG AIR FORCE, ARMY AND NAVY, AS NOW IS DONE.

CANHAM, IN A STATEMENT, SAID THE PRESENT DEFENSE PROCUREMENT SYSTEM FOR BILLIONS OF DOLLARS "HAS BEEN WOEFULLY INADEQUATE." HE ADDED:

"THE CURRENT APPROPRIATION SYSTEM IS ALSO PARTLY TO BLAME FOR THE CONTINUING INTERSERVICE RIVALRY (AS DISTINGUISHED FROM HEALTHY COMPETITION) FOR DOMINATION OF VARIOUS WEAPONS PROGRAMS, AND, MORE IMPORTANT, THE MONEY THAT GOES WITH THEM."

CANHAM SAID EACH SERVICE WANTS ITS OWN FUNDS AND EACH WANTS TO BE "ABLE TO FIGHT A WAR ITSELF."

THERE ARE "RACES IN EACH OF THE SERVICES TO ACCOMPLISH SUBSTANTIALLY THE SAME MILITARY OBJECTIVES," HE SAID. "THIS, IN TURN, BRINGS ABOUT UNDESIRABLE COMPETITION FOR SCARCE MANPOWER TO DO SUCH WORK, AND RESULTS IN UNNECESSARY TRIPPLICATION IN THE PROCUREMENT AND SUPPLY FIELDS AND IN GENERAL OVERHEAD ACTIVITIES."

THE TESTIMONY WAS BEFORE THE SENATE-HOUSE ECONOMIC COMMITTEE HEADED BY SEN. PAUL H. DOUGLAS (D-ILL), WHICH ALSO HAS BEEN CRITICAL OF DEFENSE PROCUREMENT SYSTEMS AND POLICIES.

SHOEMAKER SAID THE DEFENSE DEPARTMENT IS "THE LARGEST ORGANIZATION KNOWN TO MAN," EMPLOYS MORE THAN FOUR MILLION PERSONS, INCLUDING MILITARY AND CIVILIANS, AND SPENDS ABOUT ONE-SEVENTH OF THE NATIONAL INCOME.

HE SAID SOME PROGRESS HAD BEEN MADE IN RECENT YEARS BY SETTING UP SINGLE-MANAGER OPERATIONS FOR MILITARY FOOD AND CLOTHING, PETROLEUM PRODUCTS, MEDICAL SUPPLIES AND STORAGE FACILITIES.

BUT SHOEMAKER CRITICIZED THE SEPARATE MILITARY AIR, SEA AND TRAFFIC MANAGERS, SAYING ALL OF THESE SHOULD BE UNDER A SINGLE CIVILIAN TRANSPORTATION AGENCY.

THE CHAMBER PROTESTED THAT SOME 2,000 MILITARY-COMMERCIAL
INDUSTRIAL-TYPE ACTIVITIES STILL ARE BEING CARRIED ON BY THE
MILITARY SERVICES IN COMPETITION WITH PRIVATE BUSINESS.
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G. J. G. J.